PHASE II INVESTIGATION

FORMER CROMPTON CORPORATION / OSi PLANT
SISTERSVILLE, WEST VIRGINIA

Prepared for:

General Electric Advanced Materials
Pittsfield, Massachusetts

Prepared by:

ENVIRON International Corporation
Groton, Massachusetts

May 2004

	30 ug/L in 1 of 4 wells, > tap water RBC (6.51 ug/L).
Metals	None identified in excess of RBCs.
PCBs	None identified > detection limits.
Pesticides/herbicides	None identified > detection limits.
Dioxins/furans	All detected concentrations considered equivalent to ND.
Trimethylsilanol	Present in 4 of 4 wells; no applicable standards or guidelines.
Perchlorate	None identified > detection limits.

Summary

The appearance of benzene, ethylbenzene, and xylenes in both soil and ground water, accompanied by naphthalene in ground water, appear consistent with previous groundwater monitoring events in this area. The detection of PCBs in soil suggests a release, particularly as this sample is in the same proximity as two similarly elevated samples in the adjacent Permitted Waste Storage area (Section 9.4), and given the proximity of the Praxair unit where PCBs were previously identified during historical testing (see discussion in Section 5.5). The identification of TCE is discounted as it was at low levels in only one well, and the identification of both isopropyl ether and trimethylsilanol in all wells is consistent with historical area conditions and Facility use. No significance is assigned to the identification of metals concentrations that are below their respective standards.

9.6 EP Area

The EP, or environmental protection, area, is located in the northern portion of the Facility (Figure 2), and currently contains the wastewater treatment plant, several hazardous waste storage areas and tanks, and two surface impoundments. Historical impoundments were located in portions of the EP area that are currently gravel-paved and undeveloped. These historical impoundments have been closed under state-approved closure plans. Soil samples collected from this area (locations SB63 to 65, Figure 6) were analyzed for VOCs, SVOCs, metals, PCBs, pesticides/herbicides, and dioxins/furans (Table 6A). Ground water from wells 11A, 20, 3101 (no pesticides/herbicides), and 3204 (no PCBs or pesticides/herbicides) (Figure 6) was sampled and analyzed for the same parameters, in addition to perchlorate and trimethylsilanol.

Soil Results

The soil analytical data do not indicate any evidence of a release in this area. None of the analytes for which soil was tested exceed their respective regulatory standards.

While dioxins were identified in all of the soil samples from this area, the concentrations were below the RBCs, and the congeners identified and their relative concentrations are consistent with non-anthropogenic dioxins found in association with clays. Thus, the dioxins identified are considered "background", and do not appear indicative of a release.

SOIL RESULTS – EP Area

COC	Remarks
VOCs	None identified > detection limits.
SVOCs	None identified > detection limits.
Metals	None identified in excess of RBCs / PRGs.
PCBs	None identified > detection limits
Pesticides/ herbicides	None identified > detection limits
Dioxins/furans	Identified in 5 of 5 samples, < RBCs. Congener concentrations/distribution suggests natural origin.

Ground water Results

The only analytes identified at significant levels in groundwater (Table 6B) were selected metals, PCBs, and isopropyl ether/trimethylsilanol. Since the metals are elevated only in the newly-installed wells, they may be attributable, in part, to suspended solids. Beryllium, at a concentration of 5.8 ug/L in one well, exceeded the WV standard and MCL of 4 ug/L, and at 121 ug/L in one well, chromium also exceeded its WV standard/MCL of 100 ug/L. Lead, at 61 and 177 ug/L in two wells, exceeded the WV standard and MCL of 15 ug/L, and a nickel concentration of 209 ug/L in one well exceeded the WV standard/MCL of 100 ug/L.

PCBs were identified in two of four wells at 0.9 and 3.7 ug/L, which exceed the WV standard/MCL of 0.5 ug/L. Significant levels of both isopropyl ether and trimethylsilanol were also identified in all wells. Dioxins were detected in three of four wells at concentrations of 1.54E-6 to 4.25E-3 ng/L, with only the highest concentration exceeding the MCL (3E-2 ng/L) but not the WV standard (5E-3 ng/L). However, since similar levels of dioxins were detected in the laboratory method blank, the sample concentrations are considered equivalent to ND.

Data from well 20 that is reported in this section was previously used to characterize both the Permitted Hazardous Waste Storage Area (Section 9.4) and the Waste Incineration Area (Section 9.5). This is due to the abutting locations of these areas; no noteworthy results were identified in this well.

GROUND WATER RESULTS – EP Area

COC	Remarks
VOCs	None identified > detection limits except as below.
Isopropyl ether	Identified in 4 of 4 wells; no applicable standards or guidelines.
SVOCs	None identified > detection limits.
Metals	
Beryllium	Undetected in 2 of 4 wells at 3 ug/L DL. 3.7 ug/L in 1 of 4 wells, < state std/MCL (4 ug/L). **5.8 ug/L in 1 of 4 (3204), > state std/MCL (4 ug/L).**

Chromium	Undetected in 3 of 4 wells at 70 ug/L DL. **121 ug/L in 1 of 4 wells, > state std/MCL (100 ug/L).**
Lead	Undetected in 2 of 4 wells (11, 20) at 40 ug/L DL. **61-177 ug/L in 2 of 4 wells, > state std/MCL (15 ug/L).**
Nickel	Undetected in 2 of 4 wells at 50 ug/L DL. 78.3 ug/L in 1 of 4 wells, < state std/MCL (100 ug/L). **209 ug/L in 1 of 4 wells, > state std/MCL (100 ug/L).**
PCBs	Undetected in 2 of 4 wells at 0.48-0.50 ug/L DL. **3.7-0.9 ug/L in 2 of 4 wells, > state std/MCL (0.5 ug/L).**
Pest./ Herb.	None identified > detection limits.
Dioxins/furans	Detected in 3 of 4 wells. All detected concentrations considered equivalent to ND.
Trimethylsilanol	Identified in 4 of 4 wells; no applicable standards or guidelines.
Perchlorate	None identified > detection limits.

Summary

While some metals have been detected at concentrations exceeding applicable standards, these results are consistent with data from previous sampling rounds at the Facility and reported as part of RCRA Corrective Action activities. The identification of PCBs (typically hydrophobic) is unexpected considering that PCBs were not detected in soils in this area. However, these results may also be a function of the general proximity of the EP Area to the Waste Incineration and Permitted Waste Storage areas, where PCBs were identified in soil.

The concentrations of isopropyl ether and trimethylsilanol detected in ground water are similar to or lower than those identified historically, and do not suggest conditions different than have been reported in previous groundwater monitoring events. While dioxin concentrations in soil and in one groundwater sample exceeded standards, the evidence suggests that groundwater concentrations are insignificant (equivalent to levels found in the laboratory blank), and that soil concentrations and congener distribution patterns are indicative of natural, non-anthropogenic, clay-related sources.

9.7 Sugar Camp Run

Sugar Camp Run is a small stream cutting across the northern portion of the Facility and discharging to the Ohio River to the west (Figure 2). Stream flow is heavily dependent on season and precipitation, and portions (particularly upper middle portions) may be dry during the summer months. Because of the potential for ground water and surface water flow to the stream from the North Inactive Area, EP Area, the Waste Incineration Area, Permitted Waste Storage Area, and the Fly Ash Disposal Area, three sediment samples

(SED-1 to -3, Figure 6) were collected for analysis for VOCs, SVOCs, metals, PCBs, pesticides/ herbicides, and dioxins/furans (Table 7). The downstream sample (SED01) was collected from near where the run enters a culvert to pass beneath State Route 2, the midstream sample (SED02) was collected from below the brick riffles near Crompton's Benthic sampling station 5, and the upstream sample (SED03) was located near the eastern Facility gate, at a point upstream of any likely impacts from the Facility itself.

As previously discussed in Section 8.0, the sediment analytical results (Table 7) are compared to the NOAA Screening Quick Reference Tables ("SQUIRTs"). While these are not enforceable standards, they are thresholds frequently used as a means of determining whether further investigation is appropriate. The Threshold Effect Level (TEL) was used below and in Table 7 when available; otherwise, the Upper Effects Threshold (UET) was cited.

Sediment Results

Arsenic, copper, and nickel in sediment all exceeded their respective threshold effects levels (TELs) at one or more locations, although, given the generally elevated arsenic concentrations found in soils throughout the Facility (which are considered to be naturally-occurring), it is likely that the arsenic identified in the Sugar Camp Run sediments is also naturally derived. Copper concentrations of 49.8 and 121 mg/Kg at two locations exceed the 36 mg/Kg TEL, and nickel concentrations between 20.4 and 30.2 mg/Kg from all three locations exceed the TEL of 18 mg/Kg.

All three sediment sample locations yielded PCB concentrations that exceeded the freshwater sediment TEL. The concentrations increased from upstream to downstream, and ranged from 54 to 3000 ug/Kg, compared to a TEL of 34.1 ug/Kg. Nonetheless, these concentrations are consistent with historical concentrations identified and reported to Region III EPA as part of the Facility's RCRA Corrective Action monitoring. The dioxin TEQ concentrations showed a similar increase from upstream to downstream, however, all three dioxin TEQ concentrations were below the NOAA Upper Effects Threshold (UET), and the concentrations and congener distribution patterns were consistent with natural background dioxins associated with clay.

SEDIMENT RESULTS – Sugar Camp Run

COC	Remarks
VOCs	None identified > detection limits.
SVOCs	None identified > detection limits.
Metals	All samples < NOAA TELs except as below. Antimony detection limit > standard. No NOAA TELs, RBCs, or background for Ba, Be, Co, V.
Copper	26.6 mg/Kg (SED-3, upstream) < NOAA TEL (35.7 mg/Kg). **121, 49.8 mg/Kg (SED-1, -2, downstream and midstream) > NOAA TEL (35.7 mg/Kg).**
Nickel	**22.8 / 20.4 /30.2 mg/Kg (SED-1, -2, -3) > NOAA TEL (18 mg/Kg).**
PCBs	**3000 / 800 / 54 ug/Kg (SED-1 to -3) > NOAA TEL (34.1**

	ug/Kg).
Pesticides/herbicides	None identified > detection limits.
Dioxins/furans	0.114/1.12/7.31 ng/Kg (TEQ) < NOAA Upper Effects Threshold (UET - 8.8 ng/Kg).

Summary

The sediment analytical results indicate the presence of PCBs in Sugar Camp Run sediments, and that the concentrations increase in the downstream direction. Similar concentrations have been identified previously, and have been reported to WV DEP during previous monitoring events. Copper also appears to have accumulated in the stream sediments, with the highest concentrations in the sample collected from furthest downstream. Given the proximity of portions of Sugar Camp Run to the North Inactive (NF) area and the former copper sludge pit (near wells NF6/8), it is possible that copper is migrating to surface water as a function of overland transport (erosion) of soil from the sludge pit area. The source does not appear to be further upstream, as the upstream sediment sample contained concentrations half of those in the mid-stream sediment sample, and a fifth of those in the downstream sediment sample. While nickel and arsenic also appear at notable concentrations, they are not considered significant in view of their prevalence across the site without apparent cause/source.

Dioxin concentrations did not exceed the NOAA UET, and their congener distribution and relative concentrations are consistent with dioxins related to naturally-occurring dioxins in clays. While these samples were sediments rather than soil, they are likely to have been derived from the soils, and will tend to contain similar components. Thus, the clay components of the upland soils that are postulated to have contained the natural background dioxins are likely to be present in the sediments.

9.8 Fly Ash Disposal Area

Located in the northwest portion of the Facility, just north of Sugar Camp Run, the Fly Ash Disposal Area (Figure 2) is the location of historical disposal of fly ash from the Facility's coal-fired boilers until the 1970s. It is approximately five acres in area, and is unlined and capped only with soil. While some PAHs have reportedly been identified in soil samples collected from the area at concentrations up to 115 ppm, the US EPA has not required further monitoring or remedial action as part of the Facility's RCRA Corrective Action investigation process. As part of the Phase II investigation, ENVIRON collected soil samples at three locations (SB88, 89, and 90, Figure 6) in the Fly Ash Disposal Area for analysis for VOCs, PAHs, metals, and dioxins/furans (Table 8A), and installed one monitoring well (3101, Figure 6) to sample ground water for the same parameters, plus PCBs, perchlorate and trimethylsilanol (Table 8B). One additional newly-installed well, 3204, is also located downgradient of the area.

Due to difficulties with access, soil sampling at depth with the direct push equipment was not possible; only shallow soils were collected at three locations using a hand auger.

Nonetheless, the shallow soils, collected from a depth of approximately three feet below grade, were observed to consist substantially of black, fine-grained ash, and were therefore considered to be representative of the area.

Soil Results

Two VOCs were detected (Table 8A), but only in one sample (SB-89s). Various metals were identified in all soil samples, but only arsenic exceeded the US EPA Region III RBCs, and its widespread occurrence across the Facility suggests that it is not diagnostic of a release. Several PAHs were identified in one or more soil samples, but only naphthalene, at 180(J) and 210(J) ug/Kg, exceeded the leaching soil RBC of 150 ug/Kg; the remaining PAHs detected were below their respective RBCs.

Dioxin TEQ concentrations in two of three samples (9.26-9.62 ng/Kg) exceeded the leaching soil RBC (8.6 ng/Kg) but not the industrial soil RBC (19.1 ng/Kg). Given that the samples collected contained a significant fraction of ash, the presence of dioxins/furans would not be unexpected, however, roughly similar dioxin TEQ concentrations were identified elsewhere at the Facility where dioxins would not be expected. As has been previously discussed, the distribution and relative concentrations of dioxin congeners, both in other Facility areas and in the Fly Ash Disposal Area samples, are consistent with the dioxin congeners and concentrations identified in clays. The Fly Ash area samples differ in that they contain higher concentrations of furans than other samples from the Facility, and higher furan concentrations than typical clay samples cited in the literature. These furans contribute to the higher dioxin TEQ concentrations identified in the Fly Ash area samples. Thus, there appears to be a potentially-anthropogenic furan overprint on the clay-background dioxins that may be attributable to the fly ash. However, the furan concentrations, on their own, do not represent a TEQ concentration that would exceed a regulatory standard.

SOIL RESULTS – Fly Ash Disposal Area

COC	Remarks
VOCs	None identified > RBCs / PRGs.
PAHs	None identified > RBCs / PRGs except as below.
Naphthalene	89(J) ug/Kg in 1 of 3 samples, < RBCs (2E7 / 150 ug/Kg*), **180(J)-210(J) in 2 of 3 samples, > Leaching RBC (150 ug/Kg),** < Ind. Soil RBC (2E7 ug/Kg).
Metals	None identified in excess of RBCs / PRGs.
Dioxins/furans	0.188 ng/Kg in 1 of 3 samples, < RBCs (19.1 / 8.6 ng/Kg*), **9.26 – 9.62 ng/Kg in 2 of 3 samples, > RBCs (19.1 /8.6 ng/Kg*).**

* First value is US EPA Region III Industrial Soil Risk-Based Concentration (RBC), second value is Region III Leaching Soil RBC.

Ground water Results

Two ground water monitoring wells (3101, newly installed at the downgradient side of the fly ash disposal area, and 3204, newly installed at the western edge of the EP Area and south of the Fly Ash Disposal Area) are downgradient of the Fly Ash Disposal Area.

No VOCs were identified above detection limits in ground water samples from these wells (Table 8B). Beryllium, chromium, lead, and nickel exceeded their West Virginia ground water standards, always in well 3204, and lead alone exceeded its standard in 3101, as well. Beryllium, at 5.8 ug/L in one well, exceeded the 4 ug/L WV standard, and chromium, at 121 ug/L, exceeded the 100 ug/L WV standard/MCL. Nickel concentrations in one well of 209 ug/L exceeded the WV standard of 100 ug/L, and lead concentrations of 61 and 177 ug/L ion two wells exceeded the WV standard of 15 ug/L. The metals concentrations are potentially attributable in part to suspended solids, however, they may also be present due to leaching from the ash.

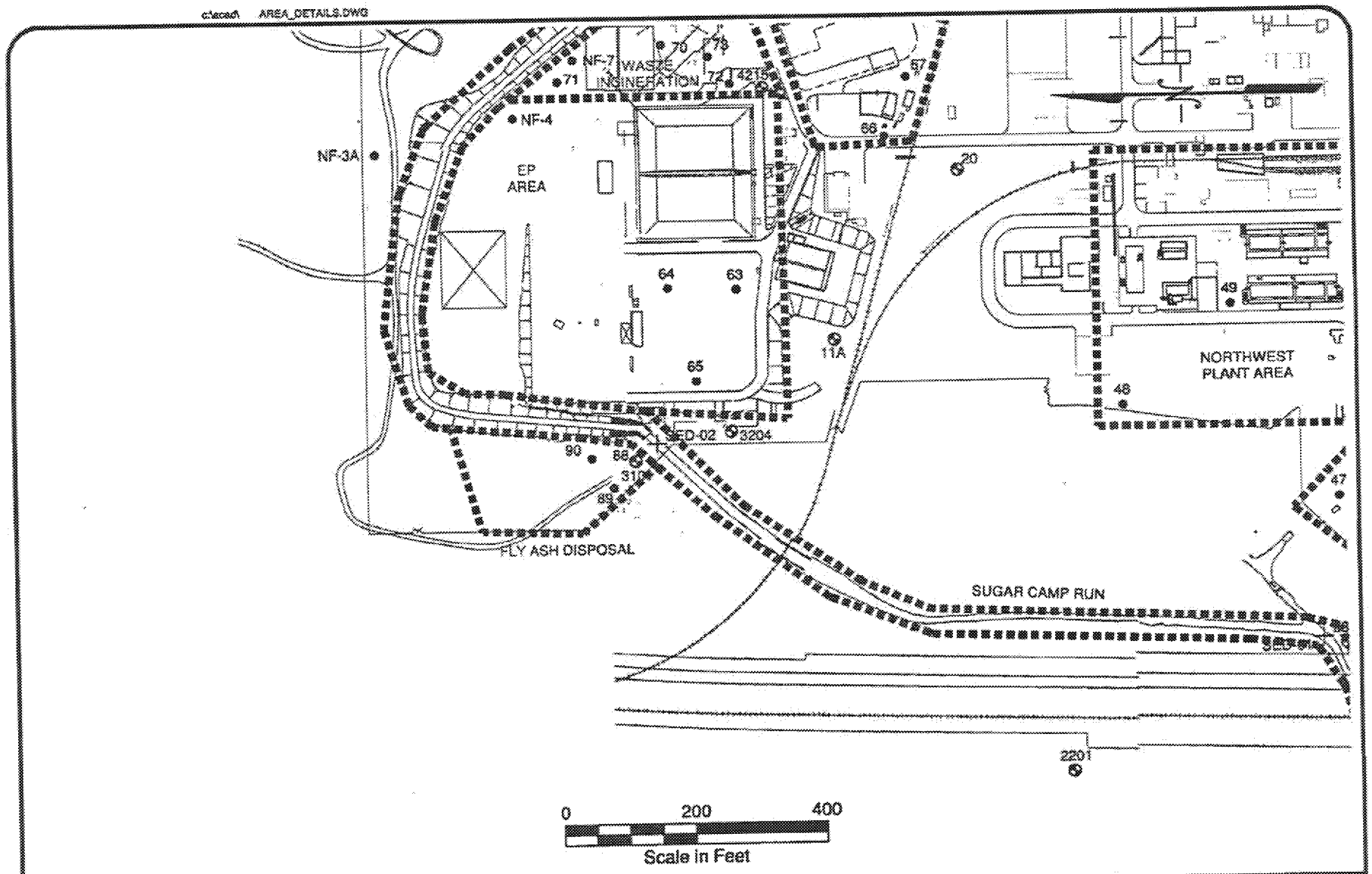
PCBs were detected in both wells (different Aroclors in each) at concentrations exceeding the WV ground water standard and the federal MCL. The detected concentrations were 0.9 and 3.7 ug/L, compared to a WV standard/MCL of 0.5 ug/L.

Isopropyl ether was identified in both wells, at 58 ug/L (3101) and 540 ug/L (3204). Trimethylsilanol was present in both wells at the highest (20.7 mg/L - 3101) and fourth highest (9.79 mg/L - 3204) concentrations identified anywhere at the Facility during the Phase II investigation.

The ground water results reported in this section (for wells 3101 and 3204) were also reported in previous Section 9.6 (EP Area). This is because these areas abut one another, and these wells are the nearest and downgradient of both Areas.

GROUND WATER RESULTS – Fly Ash Disposal Area

COC	Remarks
VOCs	None identified > detection limits except as below.
Isopropyl ether	Present in both samples, 58 and 540 ug/L; no applicable standards or guidelines.
SVOCs	None identified > detection limits.
Metals	
Beryllium	3.7 ug/L in 1 of 2 wells, < state std/MCL (4 ug/L). **5.8 ug/L in 1 of 2 wells, > state std/MCL (4 ug/L).**
Chromium	Undetected in 1 of 2 wells at 70 ug/L DL. **121 ug/L in 1 of 2 wells, > state std/MCL (100 ug/L).**
Lead	**61-177 ug/L in 2 of 2 wells, > state std (15 ug/L).**
Nickel	78.3 ug/L in 1 of 2 wells, < state std. (100 ug/L) - no MCL. **209 ug/L in 1 of 2 wells, > state std (100 ug/L).**
PCBs	**0.9-3.7 ug/L in 2 of 2 wells > state std/MCL (0.5 ug/L)**
Trimethylsilanol	20.7 & 9.79 mg/L in two wells; no applicable standards or guidelines.
Dioxins/furans	7.71E-3 - 4.25E-3 ng/L in 2 of 2 wells, < WV std/MCL (5E-3 / 3E-2 ng/L). All detected concentrations considered equivalent to



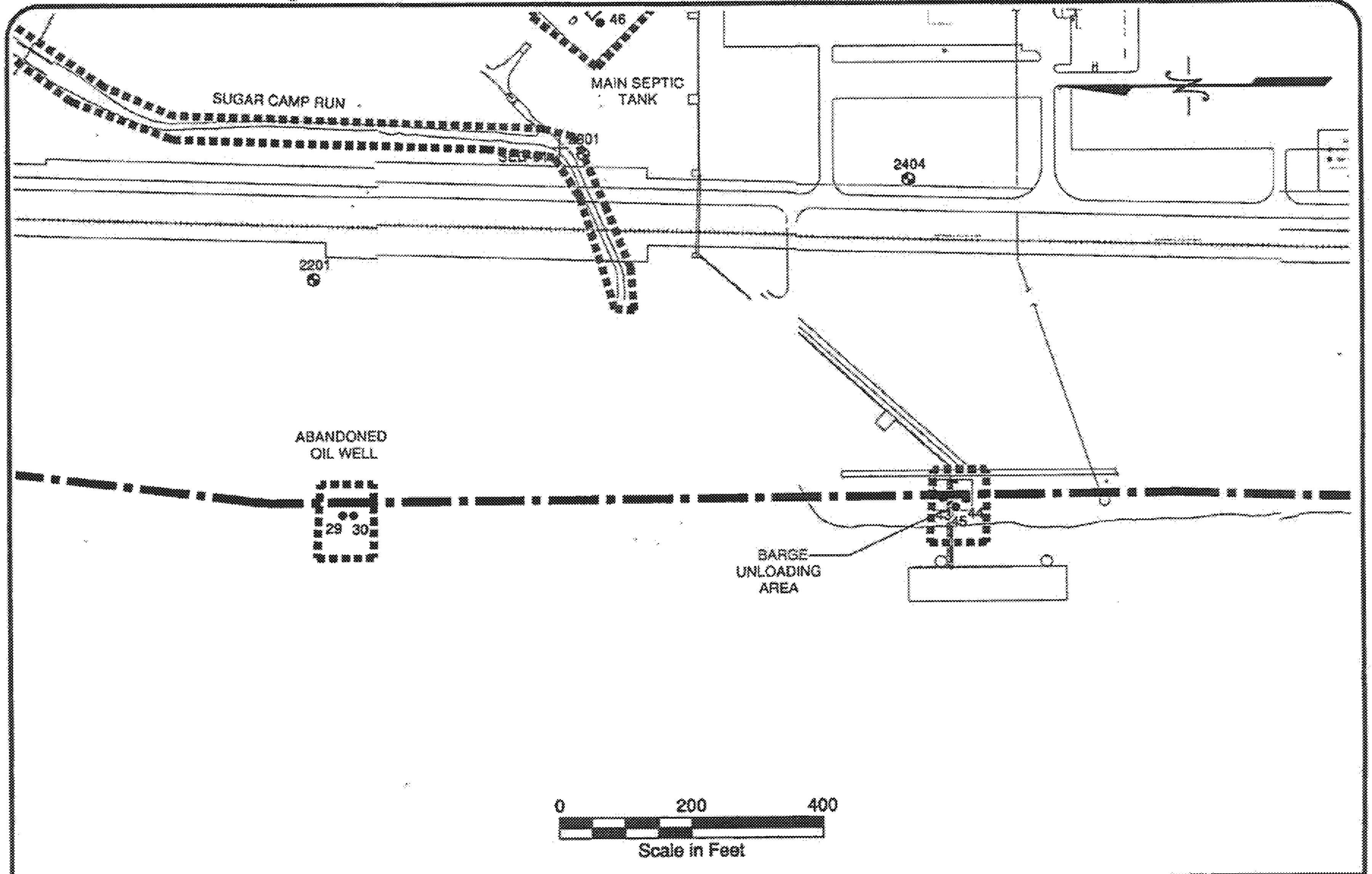
ENVIRON

SUGAR CAMP RUN, EP AREA, FLY ASH DISPOSAL AREA
CROMPTON CORPORATION SISTERSVILLE FACILITY

Figure 6

EPA000138

c:\acad\ AREA_DETAILS.DWG

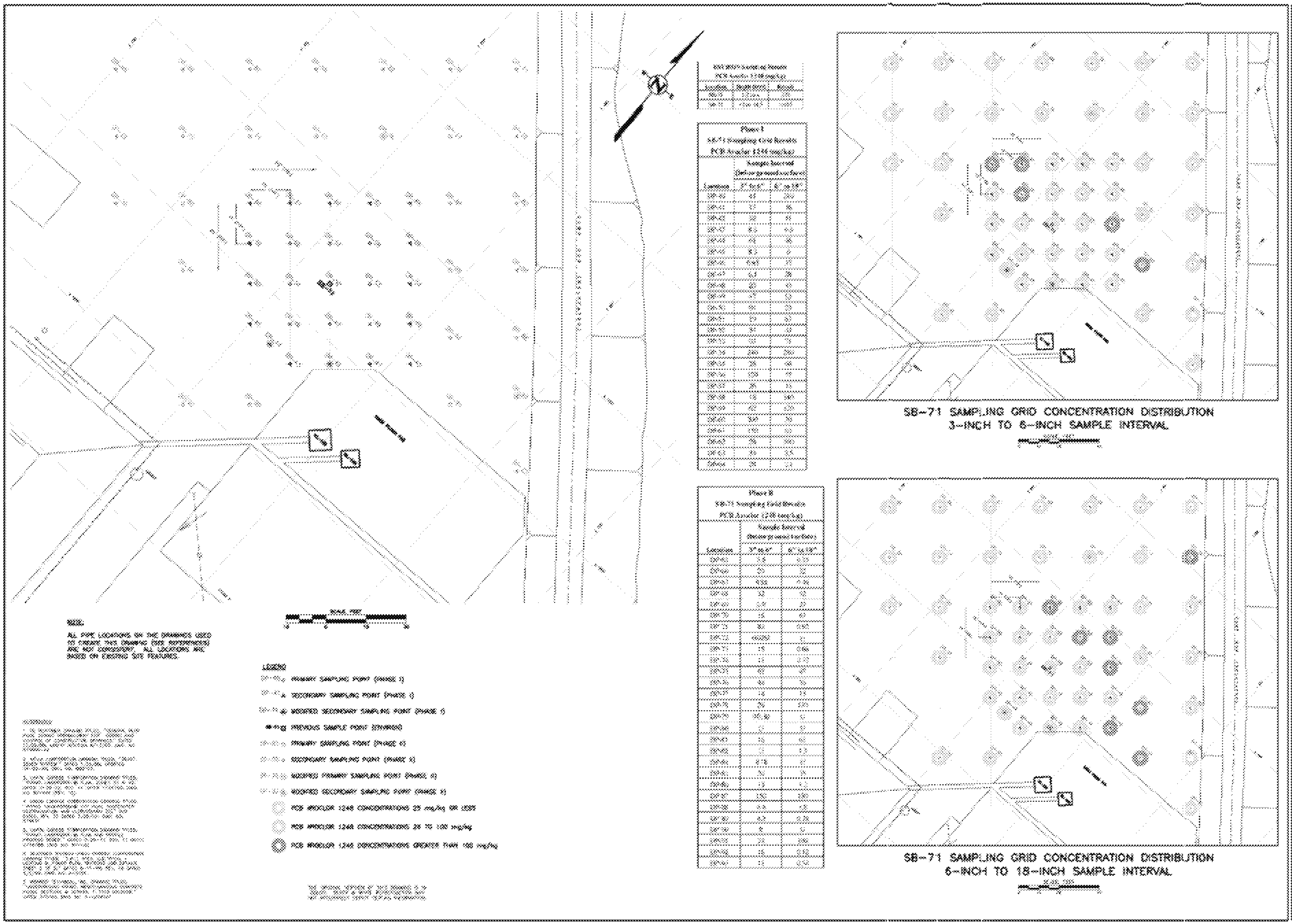


ENVIRON

ABANDONED OIL WELL AND BARGE UNLOADING AREA
CROMPTON CORPORATION SISTERSVILLE FACILITY

Figure 7

U:\AutoCAD DWGS\131\131138 Sistersville WV\131138D11.dwg, 11/16/2006 2:59:44 PM



REVISIONS

PHASE I AND II SAMPLING RESULTS
SB-71
GE SILICONES, LLC PLANT
FRIENDLY, WEST VIRGINIA
PREPARED FOR
CHEMTURA CORPORATION
MIDDLEBURY, CONNECTICUT

WSP
ENVIRONMENTAL STRATEGIES

FIGURE 2

131138-D11

CHEM001123

EPA000732

ED_005215_00000845-00011

Crompton

Tracy S. Perkins
Assistant General Counsel
Environmental

June 9, 2005

Raymond D. Hiley
GE Advanced Materials
One Plastics Avenue
Pittsfield, MA 01201

Re: **PCB Investigation**
Former OSi Facility, Sistersville, WV

Dear Mr. Hiley:

As a further follow-up to GE's letter dated July 23, 2004, enclosing the final Phase II Investigation for the Former Crompton Corporation/OSi Plant, Sistersville, West Virginia ("Report"), Crompton provides the following information.

As noted in the report, the observance of PCBs in the groundwater is unexpected due to the very low solubility of PCBs in water. As a result, Environ recommended that GE perform confirmation sampling. GE performed the initial sampling more than a year ago, but it is unclear from the May 2004 report whether GE has followed Environ's recommendation. As I indicated to you verbally, Crompton does not consider any action with respect to the groundwater to be its responsibility at this time.

As we previously indicated, Crompton did not receive GE's claim until July 26, 2004. Pursuant to Section 5A.4 of the April 24, 2003 Purchase and Exchange Agreement by and between Crompton Corporation and General Electric Company ("Agreement"), Crompton's obligation to pay remediation costs is expressly conditioned upon GE's provision of timely written notice to Crompton of the fact that Environmental Laws compel remedial action for which Crompton may be responsible (i.e., within thirty days of GE's determination that remedial action is required). As the sampling was performed on or about May 2003, and the final report is dated May 2004, it appears that GE failed to provide timely notice. Further, it is not clear at this time that remediation of the PCBs identified in the soil require remediation is required by law. All work performed by Crompton is without waiver of these defenses.

Notwithstanding this, Crompton is prepared to move forward with a limited soil investigation of PCBs in the areas of identified in the ERM report as exceeding 25 ppm PCB in soil, specifically two areas near the dewatering building and one area near the bank of Sugar Camp Run, between wells NF-4

Crompton Corporation
199 Benson Road, Middlebury, CT 06749 (203)573-2729 (203)573-3118 fax tracy.perkins@cromptoncorp.com

and NF-7. Our consultant, ESC, will be providing a work plan for the investigation activities to both GE's facility personnel and Michael O'Donnell. Mark Pettegrew of Crompton Corporation has been in contact with Dennis Heintzman, Stephen Pierce and Tina Adams of GE Advanced Materials in identifying access and safety requirements and contractor/visitor clearances. Crompton plans to proceed with the investigation beginning in July, and it anticipates that the initial onsite portion of the investigation should be completed within one week.

If you have any questions, please give me a call. Thanks.

Sincerely,

Tracy S. Perkins

cc: Mark Pettegrew
Mike O'Donnell

Paul Meyer
Manager, Environmental Remediation

Chemtura Corp.
199 Benson Road – Mail Stop 2-4
Middlebury, Connecticut 06749

Paul.Meyer@chemtura.com
203.573.3545 tel
203.573.3362 fax

December 8, 2008

SENT VIA USPS and e-MAIL (Mark.Leskowicz@momentive.com)

Mr. Mark Leskowicz – EHS Site Manager
MPM Silicones, L.L.C. – Sistersville Plant
3500 South State Route 2
Friendly, West Virginia 26146

Re: Investigation/Remediation of PCBs
Sistersville Plant
Friendly, West Virginia

Dear Mr. Leskowicz:

On July 8, 2008 we met at your facility for an introductory meeting and general site review. During the meeting, you first remarked to me that MPM Silicones, L.L.C. (MPM) had encountered polychlorinated biphenyl (PCB) impacts in the former settling pond during excavation to install new piping. You stated that, due to these impacts, you suspended the work. You also stated that you arranged for subsequent decontamination and demobilization of the construction equipment from the site. During our conversation, you indicated that Chemtura Corporation (Chemtura) was responsible for equipment decontamination costs and the future cost of PCB remediation at the former settling pond. In response, I asked you to provide Chemtura with written notice of PCB impacts. This is consistent with the April 24, 2003 Purchase and Exchange Agreement between Crompton Corporation and General Electric Company (the "Agreement"). As part of that conversation it was determined that you would consult with MPM's counsel to determine the proper notification to Chemtura and would proceed as necessary.

Chemtura is in receipt of the following recent correspondence from MPM related to the PCB impacts identified within the former settling pond during upgrades to MPM's waste water treatment plan:

- August 25, 2008 – Notice of Claim regarding costs for remediation of PCB contamination (received by Chemtura's Law Dept. on August 29, 2008)

- September 26, 2008 – Invoice/reimbursement request letter which includes $5,101.45 of PCB-related charges

- October 8, 2008 – e-mail discussion of PCB-related charges that were invoiced as well as other PCB-related costs that are contemplated

- October 8, 2008 – e-mail transmittal of $7,978.00 cost estimate from Veolia Environmental Services-Technical Solutions, L.L.C. and disposal approval request for two roll-off containers of PCB-impacted soil

- October 8, 2008 – e-mail transmittal of $148,433.25 cost estimate from Shaw Environmental, Inc. for PCB delineation within the former settling pond

- October 8, 2008 – e-mail transmittal of Clean Harbors Environmental Services, Inc. (Clean Harbors) cost estimate for the following work within the former settling pond and approval request for Phase 1 of the cost estimate:
  - Phase 1 – $135,745.00 – PCB assessment and delineation
  - Phase 2 – $152,426.88 – soil excavation and off-site disposal of PCBs
  - Phase 3 – $45,130.00 – post-excavation soil sampling & analysis
  - Phase 4 – $53,350.00 – equipment decontamination and backfilling

- October 24, 2008 – e-mail transmittal of **Ex. 4 CBI** Clean Harbors invoice to MPM for a July 2, 2008 date of service, sent as back-up documentation to MPM's September 26, 2008 invoice to Chemtura

Pursuant to Section 5A.4 of the Agreement, the obligation to pay remediation costs is expressly conditioned upon a timely written notice to Chemtura (as successor to Crompton) that Environmental Laws compel remedial action for which Chemtura may be responsible. Timeliness is noted in the Agreement as being within 30 days of a determination that remedial action is required by law.

The excavation work and sampling was done at some time prior to July 2, 2008. Consequently, sufficient justification existed at or before such time to cause MPM to recognize the need for decontamination of excavation equipment and any associated remediation. Nevertheless, Chemtura did not receive MPM's Notice of Claim until August 29, 2008. Thus, it appears that MPM failed to provide timely notice under the Agreement. Additionally, MPM's Notice of Claim fails to include a citation to the specific Environmental Law that required the Remedial Action, as necessitated by Section 5A.4 of the Agreement. It is not clear at this time that remediation of the PCBs identified during the excavation work in the former settling pond is required by law.

In light of the above and pursuant to the Agreement, it does not appear that Chemtura is obligated to incur these PCB remediation costs. If you have documentation or other information

to support your contention that Chemtura is obligated to pay these costs, please provide that information to me for review.

On a related matter, a June 9, 2005 letter was sent from Ms. Tracy Perkins of Crompton to Mr. Raymond Hiley of GE Advanced Materials on the topic of a PCB investigation at the MPM facility. The letter addressed Crompton's position with regard to financial responsibility for the PCB investigation. In the letter, Crompton clearly stated that it did not have any financial obligation regarding the PCB impacts that were identified. Crompton's lack of financial obligation not withstanding, it offered to undertake "a limited soil investigation of PCBs".

Subsequent to the Crompton letter, Chemtura has completed two separate PCB delineation efforts related to the identified occurrence of PCBs, thus fulfilling the offer made in the Perkins letter. MPM was previously provided with the results of those investigations. Chemtura considers follow-up work related to these or any other occurrences of PCBs to be the responsibility of the property owner.

Please feel free to contact me if you have any questions regarding the information contained herein.

Sincerely,

Paul Meyer
Manager, Environmental Remediation

Cc: M. Sokol – Chemtura
General Counsel – MPM
R. Hiley – MPM

Paul Meyer
Manager, Environmental Remediation

Chemtura Corp.
199 Benson Road – Mail Stop 2-4
Middlebury, Connecticut 06749

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203.573.3545 tel
203.573.3362 fax

September 25, 2009

SENT VIA USPS and e-MAIL (Mark.Leskowicz@momentive.com)

Mr. Mark Leskowicz – EHS Site Leader
MPM Silicones, L.L.C.
3500 WV State Route 2
Friendly, West Virginia 26146

Re: Invoice for Remediation Services and PCB-related Costs – August 12, 2009
Sistersville Plant
Friendly, West Virginia

Dear Mr. Leskowicz:

Chemtura Corp. ("Chemtura") is in receipt of the above-referenced August 12, 2009 invoice. The invoice details charges for the period of August 1, 2008 through July 31, 2009. A **Ex. 4 CBI** charge is presented for PCB-related activities and charges totaling **Ex. 4 CBI** are presented for remediation of historical impacts. Taken together, the total amount of the invoice is **Ex. 4 CBI** The invoice also presents Momentive Silicones, LLC (a.k.a. Momentive Performance Materials or "MPM") rational for these charges.

Consistent with Tracy Perkins June 9, 2005 letter to Mr. Raymond Hiley, my December 8, 2008 letter to you, the undisputed events that have transpired, and the April 24, 2003 Purchase and Exchange Agreement between Crompton Corporation and General Electric Company (the "Agreement"), Chemtura does not appear to have any obligation toward the PCB-related costs. As such, Chemtura rejects MPM's invoiced claim of **Ex. 4 CBI** for PCB-related remediation matters.

As you know, Chemtura, along with 26 of its U.S. affiliates, filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code on March 18, 2009. Following the advice of bankruptcy counsel and after review of applicable law, Chemtura believes that further work in connection with remediation of the historical impacts at the MPM plant in Friendly, WV (the "Site") may not be consistent with Chemtura's rights and obligations as a Chapter 11 debtor.

Chemtura is currently undergoing a process of evaluating its rights and obligations with respect to its contractual and environmental liabilities, including those at the Site. During this period of

review, we intend to suspend all participation in activities at the Site. This includes all further contribution of funds, participation in site activities and all work currently being performed by or on behalf of Chemtura pursuant to the Agreement.

Based on the foregoing, Chemtura is not in a position to pay MPM's invoiced claim of Ex. 4 CBI for remediation of historical impacts at the Site. We will keep MPM informed regarding our decision-making process and if there are any changes in this position. In the meantime, we remind MPM that Chemtura's Bar Date in its Chapter 11 proceedings is October 30, 2009.

Please feel free to contact me if you have any questions regarding the information contained herein.

Sincerely,

Paul Meyer
Manager, Environmental Remediation

Cc: M. Sokol – Chemtura
T. Strang – Chemtura
R. Iyer – Chemtura
R. Hiley – MPM
S. Cohen – Wachtell et. al (MPM)

MOMENTIVE
performance materials

Raymond D. Hiley
Counsel – Environmental, Health and Safety
One Plastics Avenue
Pittsfield, MA 01201

Tel: (413) 448-4826
Fax: (413) 448-5581
Email: Raymond.hiley@momentive.com

August 25, 2008

VIA FACSIMILE ((203) 573-4301) and CERTIFIED MAIL
Chemtura Corporation
Attn: General Counsel
199 Benson Road
Middlebury, CT 06749

Re: Notice of Claim for Environmental Contamination

Dear Sir or Madam;

This letter is to confirm our notification of contamination recently discovered at Chemtura's former facility located at 3500 South State Rt. 2, Friendly, WV (the Facility). The Facility was acquired by Momentive's predecessor, the General Electric Company's silicones division, under a Purchase and Exchange Agreement dated April 24, 2003 (the Agreement).

Chemtura was previously notified of PCB contamination in other locations at the Facility, and has been working with Facility staff to address this contamination in accordance with the terms of the Agreement. Recently, Facility staff discovered at the Facility another small area of PCB requiring remediation. This contamination is OSi Pre-Closing Contamination as defined in the Agreement. Accordingly, under Section 5A of the Agreement, Chemtura has monetary and legal responsibility for such contamination.

We have discussed this contamination with the Chemtura project manager overseeing the previously identified contamination. As provided in the Agreement, Chemtura has the option of directing the remediation work to address this contamination. This contamination is currently delaying construction work at the site, resulting in direct costs to Momentive and also impact on Momentive's site operations. Accordingly, we would appreciate it if Chemtura would contact Mark Leskowicz at (304) 652-8222 as soon as possible regarding Chemtura's decision on whether Chemtura desires to direct the necessary remediation work. Mr. Leskowicz will also be the principle technical contact for remediation issues at the Facility. If we do not receive a timely response from Chemtura, we will assume Chemtura does not desire to direct the necessary remediation work, and will proceed accordingly.

Please note that notices under this Agreement should be sent to the following address:

Momentive Performance Materials
Attn: General Counsel
22 Corporate Woods Blvd. — 4th Floor
Albany, NY 12211

If you have any questions, please do not hesitate to call me. We look forward to working with Chemtura to resolve this issue in a mutually beneficial manner. Thank you for your prompt attention to this matter.

Very truly yours,

Raymond D. Hiley

cc: Steven A. Cohen, Esq. (Wachtell, Lipton, Rosen & Katz)
Mark Leskowicz

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GERARD S. CATALANELLO
DIRECT DIAL: 212-692-1037
PERSONAL FAX: +1 212 672 1173
E-MAIL: gcatalanello@duanemorris.com

www.duanemorris.com

March 16, 2012

VIA E-MAIL

Robert S. Sanoff, Esq.
Foley Hoag LLP
Seaport West
155 Seaport Blvd.
Boston, MA 02210-2600

Re: MPM Silicones, LLC Sistersville, WV Facility

Dear Mr. Sanoff:

Chemtura Corporation ("Chemtura") is in receipt of your letter dated March 13, 2012, regarding the Sistersville, WV facility (the "Facility") currently operated by MPM Silicones, LLC ("Momentive").

In your letter, you again assert that Momentive is obligated by law to disclose the presence of subsurface PCBs at the Facility to regulatory authorities. Chemtura has advised Momentive on numerous occasions, beginning on February 3, 2012, that the subsurface PCBs at the Facility constitute unregulated material, and thus, are not required to be remediated under applicable law. Specifically, the subsurface PCBs at the Facility constitute pre-1978 remediation waste (as described in 40 CFR §§ 761.3, 761.50(b)(3)), and thus (a) do not present an unreasonable risk of injury to health or to the environment as a result of exposure, (b) are not required to be remediated under applicable law and, most notably, (c) do not trigger any reporting requirement under the Facility's existing RCRA permit or otherwise. *See* 40 CFR § 761.50(b)(3).

Section 5A.4 of the April 24, 2003 Purchase and Exchange Agreement (the "Agreement") directs Momentive to include in any notice that remedial action is required the "citation to the specific Environmental Law that requires such remedial action...." (emphasis added). Please provide the citation to the specific Environmental Law (as Chemtura has previously requested on several occasions) for Momentive's assertion that it is legally obligated to report the existence of the subsurface PCBs at the Facility. Moreover, please explain why, if

such legal obligation even exists, Momentive did not report the subsurface PCBs to any regulatory authority when they were discovered approximately four (4) years ago, or at any time since such discovery.

You further state in your letter that Momentive is advising Chemtura of its intent to make the described disclosures to regulators, despite Momentive's belief that such notice is not required under the terms of the Agreement. Your statement is inconsistent with Momentive's obligations under the Agreement. Specifically, Section 5A.11(b) of the Agreement prohibits Momentive from contacting any Environmental Agency unless first providing Chemtura with notice of Momentive's intent to contact the regulators would cause Momentive to be late in making a legally required report to an Environmental Agency. Because Momentive does not have a legally required report to make to any regulatory agency, Momentive is precluded under the Agreement from doing so. Furthermore, Momentive is precluded from taking any action that would interfere with or increase the cost associated with any remediation Chemtura is obligated to perform. Momentive's threatened actions cannot and do not trigger any of Chemtura's obligations under the Agreement. Rather, those threatened actions, if carried out, constitute a material breach by Momentive of its obligations under the Agreement.

Chemtura has previously advised Momentive that the planned disclosures to regulatory authorities are not required under applicable law based upon the unregulated nature of the subsurface PCBs at the Facility. Momentive's conduct in contacting and making disclosures to regulatory authorities regarding the subsurface PCBs at the Facility violates the terms of the Agreement including, but not limited to, Sections 5A.3, 5A.4, and 5A.11. Accordingly, Chemtura intends to hold Momentive responsible for all losses and damages arising from Momentive's conduct.

Sincerely,

Gerard S. Catalanello

cc: Andrew Schwartz, Esq.
Mark Shepard, Esq.
Billie S. Flaherty
Kirstin Etela

FOLEY HOAG LLP

Seaport West
155 Seaport Boulevard
Boston, MA 02210-2600

617 832 1000 *main*
617 832 7000 *fax*

Robert S. Sanoff
617 832 1152 direct
rss@foleyhoag.com

March 20, 2012

By Email

Gerard S. Catalanello
Duane Morris LLP
1540 Broadway
New York, NY 10036-4086

Re: Momentive v. Chemtura

Dear Gerard:

Momentive could not disagree more with your March 16, 2012 letter. Chemtura's assertion that Momentive is barred by the April 24, 2003 Purchase and Exchange Agreement from disclosing to regulators environmental conditions at its facility could not be more mistaken. That's not what the contractual provisions say, nor could they do so without violating public policy.

The contractual provisions Chemtura relies upon relate to communications for the purpose of soliciting regulators to direct Momentive to conduct "Remediation". As Momentive has advised Chemtura repeatedly over the past month including at our meeting in Middlebury on February 3, 2012 and in my letter of March 1, 2012 , Momentive believes in good faith that it is obligated to make disclosure to regulators about the PCBs in the area of the wastewater treatment facility and the records it inherited from Chemtura which document the disposal of hundreds of thousands of pounds of PCBs in the wastewater treatment area prior to Momentive's acquisition of the Sistersville facility. Such disclosure is not intended to solicit Remediation.

With all due respect, if any party has violated the Agreement, it was Chemtura when, without giving Momentive notice, Chemtura contacted US EPA in 2006 about the PCB investigations that Chemtura had conducted and intended to conduct at the Sistersville facility and then disregarded EPA's direction to Chemtura to undertake a full characterization of PCB contamination at the site.

Since it is plain that Chemtura is not interested in trying to work with Momentive to try to resolve these issues but simply is trying to make a self-serving record, Momentive believes the time has come for us to agree to disagree.

Sincerely yours,

Robert S. Sanoff

RSS:l

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July 20, 2012

VIA E-MAIL

Robert S. Sanoff, Esq.
Foley Hoag LLP
Seaport West
155 Seaport Blvd.
Boston, MA 02210-2600

Re: MPM Silicones, LLC Sistersville, WV Facility

Dear Mr. Sanoff:

Chemtura Corporation ("Chemtura") is in receipt of the information request (the "Information Request") addressed to Mr. Mark A. Leskowicz of Momentive Performance Materials Inc. ("Momentive") by Region III of the United States Environmental Protection Agency (the "EPA"), which you forwarded to me by email on July 11, 2012. As you know, the EPA Information Request advises that it "has come to the EPA's attention" that a release of polychlorinated biphenyls ("PCBs") occurred at the Sistersville, WV facility (the "Facility") currently operated by Momentive, and that such release was not reported.

The EPA's Information Request does not specifically identify the manner in which EPA was made aware of the information giving rise to the Information Request. However, based upon: (i) prior communications from you regarding Momentive's intent to make disclosures to regulatory agencies including, but not limited to, the EPA (including your March 20, 2012 letter, described below), and (ii) the striking similarities contained in the Information Request's enumerated requests to prior non-public correspondence between Momentive and Chemtura[1], as well as the specificity and narrowly targeted subject matter sought by the EPA in the Information

[1] For example, in Momentive's First Request for the Production of Documents, Momentive sought "all document concerning the August 28, 2007 Memorandum from Tom Biksey WSP Environmental Strategies, to Kelly Bunker, EPA Region 3 PCB Coordinator, concerning "PCB Characterization – Phase III SB-71[.]" Similarly, in the Information Request, the EPA requests "copies of all correspondence with Kelly Bunker, EPA Region II PCB Coordinator, or any other staff in the Region's PCB Program, concerning Phase III PCB characterization at SB-71." *See* Information Request, No. 6.

Request, it is beyond question that the Information Request is the direct result of Momentive's actions and conduct.

In your March 20, 2012 letter, you state that "Momentive believes in good faith that it is obligated to make disclosure to regulators about the PCBs in the area of the wastewater treatment facility" and further, to make disclosure to regulators regarding historical information about PCB disposal by Union Carbide Corporation ("UCC") contained in records located at the Facility. Beyond unsupported, conclusory assertions regarding Momentive's alleged legal obligation to make disclosures to environmental agencies, and despite numerous requests made to you since receiving your letter, Momentive never cited any legal support for any alleged duty to disclose any such information to any environmental or other regulatory agency. In fact, no such duty to disclose exists. As Chemtura has advised Momentive on numerous occasions, including *via* several written communications, the subsurface PCBs at the Facility were clearly disposed of by UCC, the Facility's original owner, many years prior to 1978.[2] Those PCBs, therefore, constitute unregulated material, and thus, are not required to be remediated under applicable law.

The subsurface PCBs at the Facility clearly constitute pre-1978 remediation waste (as described in 40 CFR §§ 761.3, 761.50(b)(3)), and thus (a) do not present an unreasonable risk of injury to health or to the environment as a result of exposure, (b) are not required to be remediated under applicable law and, most notably, (c) do not trigger any reporting requirement under the Facility's existing RCRA permit or otherwise. *See* 40 CFR § 761.50(b)(3).

EPA has consistently treated pre-1978 PCB waste as unregulated. In 1994, for example, EPA proposed many changes in its PCB regulations to address the previous 15 years of program implementation experience. At that time, EPA confirmed again that PCBs that entered the environment prior to the effective date of the April 1978 disposal regulations under the Toxic Substances Control Act ("TSCA") were presumed to be disposed of in a manner that did not present a risk and, therefore, no action was required to address such historic disposal.

Most significantly, and as we have previously informed you, Momentive's RCRA Corrective Action Permit (the "RCRA Permit") does not require Momentive to disclose the existence of PCBs at the Facility. Specifically, pursuant to 40 CFR 270.30, the RCRA Permit contains standard reporting provisions for entities holding RCRA permits, including requiring Momentive (a) to provide monitoring data, (b) to report planned physical changes to RCRA related portions of the Facility if such changes will result in RCRA non-compliance, and (c) to report anticipated non-compliance. Contrary to Momentive's assertions, none of the reporting provisions included in Momentive's RCRA Permit require Momentive to make disclosures to the EPA regarding the PCBs present at the Facility.

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[2] The very historical records you cite in your March 20, 2012 letter establish that by May 1972, UCC ceased use of all PCBs in manufacturing.

In fact, the RCRA regulations at issue do not impact wastes that were – like the PCBs located at the Facility - discarded prior to the November, 1980 effective date of such regulations. Discarded, unused PCBs are not listed as commercial products under RCRA. Neither are PCBs identified as the basis for listing for any of the specific or non-specific process wastes listed by EPA. PCBs rarely exhibit RCRA characteristics of ignitibility, corrosivity, or reactivity. PCBs are also not one of the 39 constituents that would classify a waste as a characteristic hazardous waste due to "toxicity." In fact, to deal with the one possible situation where PCBs could be mixed with RCRA characteristic wastes, EPA created an exemption from RCRA regulations to avoid duplicative regulation of PCB wastes with existing TSCA disposal regulations. Bottom line, the existence of PCBs on site at the Facility does not constitute RCRA non-compliance, such as would trigger a reporting requirement, and the sampling performed by Momentive in connection with the PCBs located at the Facility does not constitute "monitoring data" that is required to be reported to regulatory authorities in connection with the RCRA permit.

Nor can Momentive claim any disclosure or reporting obligation under CERCLA. The PCBs identified by Momentive or its predecessor in 2004 and 2008 at Sistersville were already present in the environment prior to the passage of CERCLA in 1980. There was no release exceeding the reportable quantity that occurred in 2004 or 2008. Therefore, there is no reporting obligation for the PCBs identified by Momentive on the Sistersville property at that time.

Because Momentive had no legal obligation to report or disclose information to the EPA regarding the PCBs at the Facility, Momentive's actions and conduct constitute a material breach of its obligations under the April 24, 2003 Purchase and Exchange Agreement (the "Agreement"). This letter serves as Chemtura's written notification to Momentive regarding such breach.

Specifically, section 5A.3 of the Agreement provides as follows:

> [Momentive] shall take no affirmative action to solicit from any Third Party, including any Environmental Agency, any proceeding, order, directive or other mandate to conduct Remedial Action at any of the OSi Premises that [Chemtura] is responsible for performing pursuant to the terms and conditions hereof, unless [Momentive] believes in good faith, and so informs [Chemtura] no less than thirty (30) days in advance in writing, that [Momentive] has a lawful obligation to take such action. In furtherance, and not in limitation, of the foregoing, [Momentive] will not knowingly initiate or undertake any activity primarily for the purpose of ... accelerating the timing or increasing the cost of any Remedial

> Action unless [Momentive] is compelled to take such action by Environmental Law or in response to a written request from any Environmental Agency.

See Agreement, Section 5A.3. Momentive's conduct in contacting and making disclosures to EPA regarding the subsurface PCBs at the Facility directly violates the terms of the Agreement including, but not limited to Section 5A.3.

As a result of Momentive's breach of the Agreement, Chemtura intends to hold Momentive responsible for all losses and damages arising from Momentive's conduct. Momentive's breach also precludes it from seeking or recovering from Chemtura any costs incurred by Momentive now or in the future to investigate or remediate PCBs at Sistersville.

Chemtura continues to reserve all of its rights, claims and remedies available under the Agreement, applicable law and in equity.

Sincerely,

Gerard S. Catalanello

Gerard S. Catalanello

cc: Andrew Schwartz, Esq.
Mark Shepard, Esq.
Billie S. Flaherty
Kirstin Etela

FOLEY HOAG LLP

Seaport West
155 Seaport Boulevard
Boston, MA 02210-2600

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Robert S. Sanoff
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rss@foleyhoag.com

July 23, 2012

By Email

Gerard S. Catalanello
Duane Morris LLP
1540 Broadway
New York, NY 10036-4086

Re: Momentive v. Chemtura

Dear Gerard:

In response to my sending you a copy of EPA's recent 104(e) Information Request, Chemtura has sent a four-page single-spaced letter, dated July 20, 2012, which rehearses the contention from its earlier March 16, 2012 letter that Momentive was under no obligation to disclose environmental conditions to regulators and that to do so violated the April 24, 2003 Purchase and Exchange Agreement. As Momentive explained in its March 20, 2012 letter, the agreement most certainly does not preclude disclosure of the PCB contamination to the regulators and Momentive was plainly obligated to disclose that contamination. Indeed, that is precisely what the opening paragraph in EPA's 104(e) Information Request says: "It has come to EPA's attention that a release of polychlorinated biphenyls ("PCBs") has occurred at the Facility and that company officials became aware of the release some time in 2003 but did not report the release to EPA as required by the Permit for Corrective Action (WVD 004 32 5353) in effect at the time." Contrary to the assertion in Chemtura's letter, EPA unambiguously believes that Chemtura and Momentive were and are obligated to disclose the release of PCBs at the Facility. Under these circumstances, it is deeply troubling that Chemtura persists in trying to pressure and threaten Momentive into not disclosing the PCB contamination to the regulators.

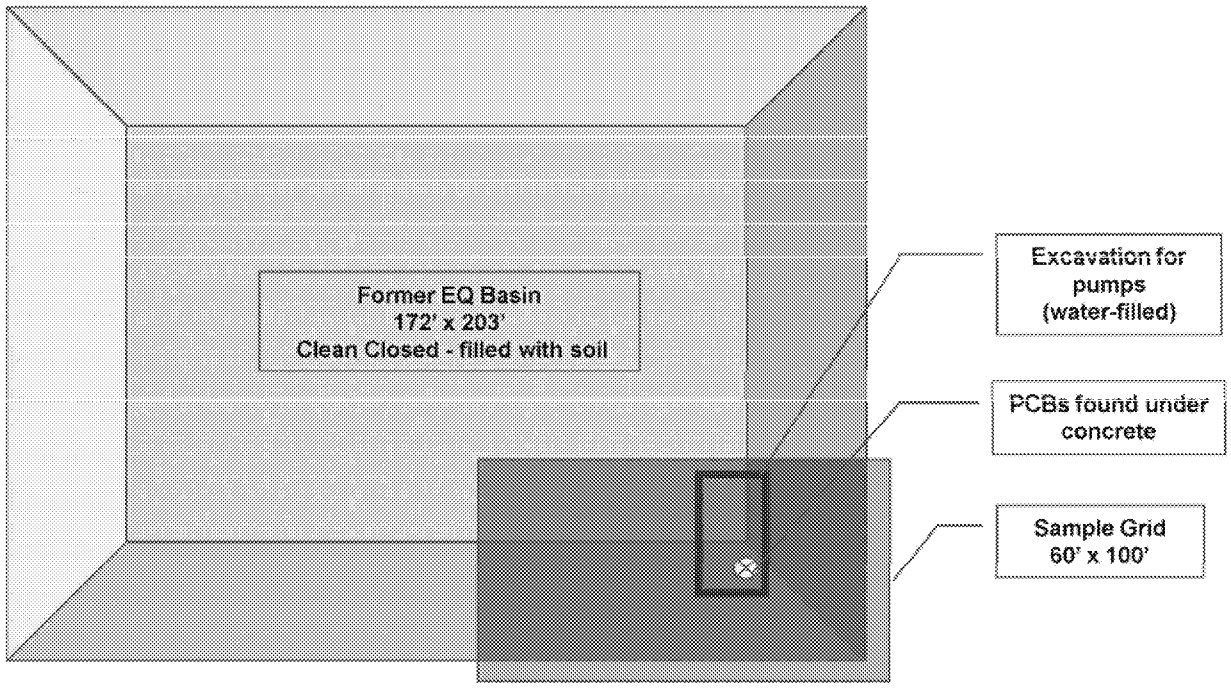
Given that the parties have already exchanged letters on this point and that EPA obviously disagrees with Chemtura's position, Momentive does not believe any purpose is served by exchanging further correspondence on this point.

Sincerely yours,

Robert S. Sanoff

RSS:l

Original PCB Delineation Plan – Wastewater Upgrade Area



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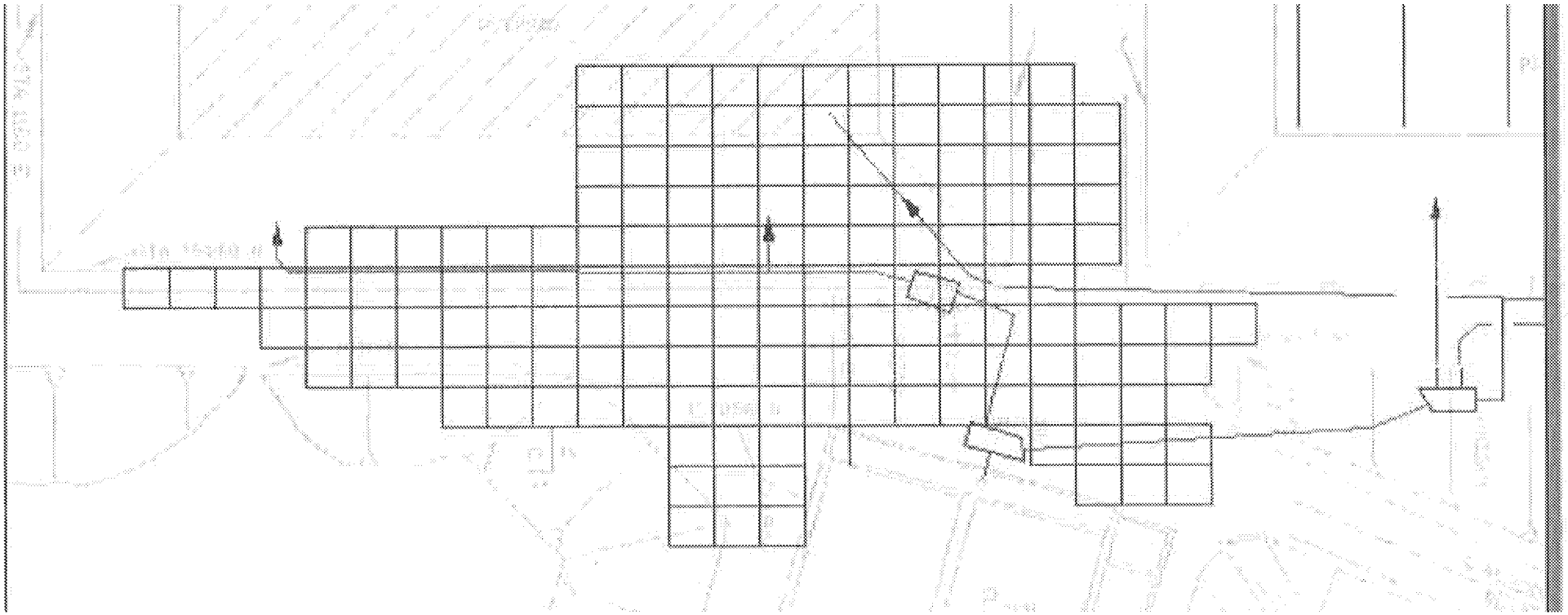
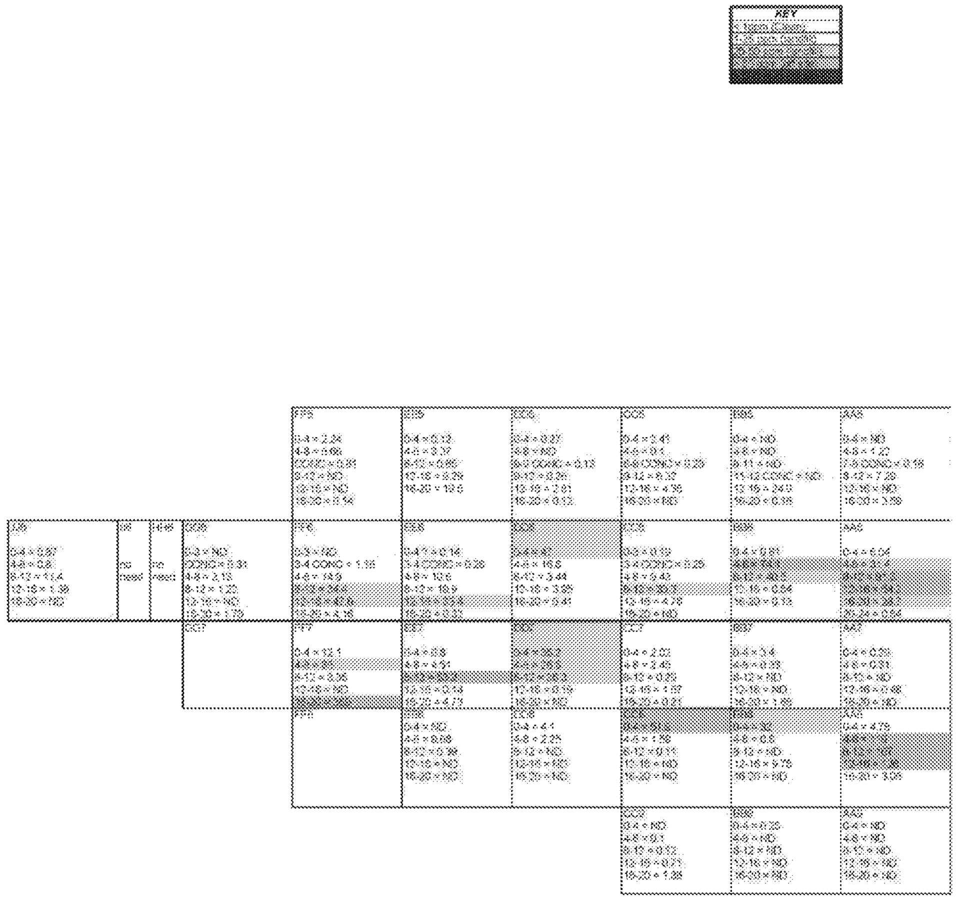
EPA000880





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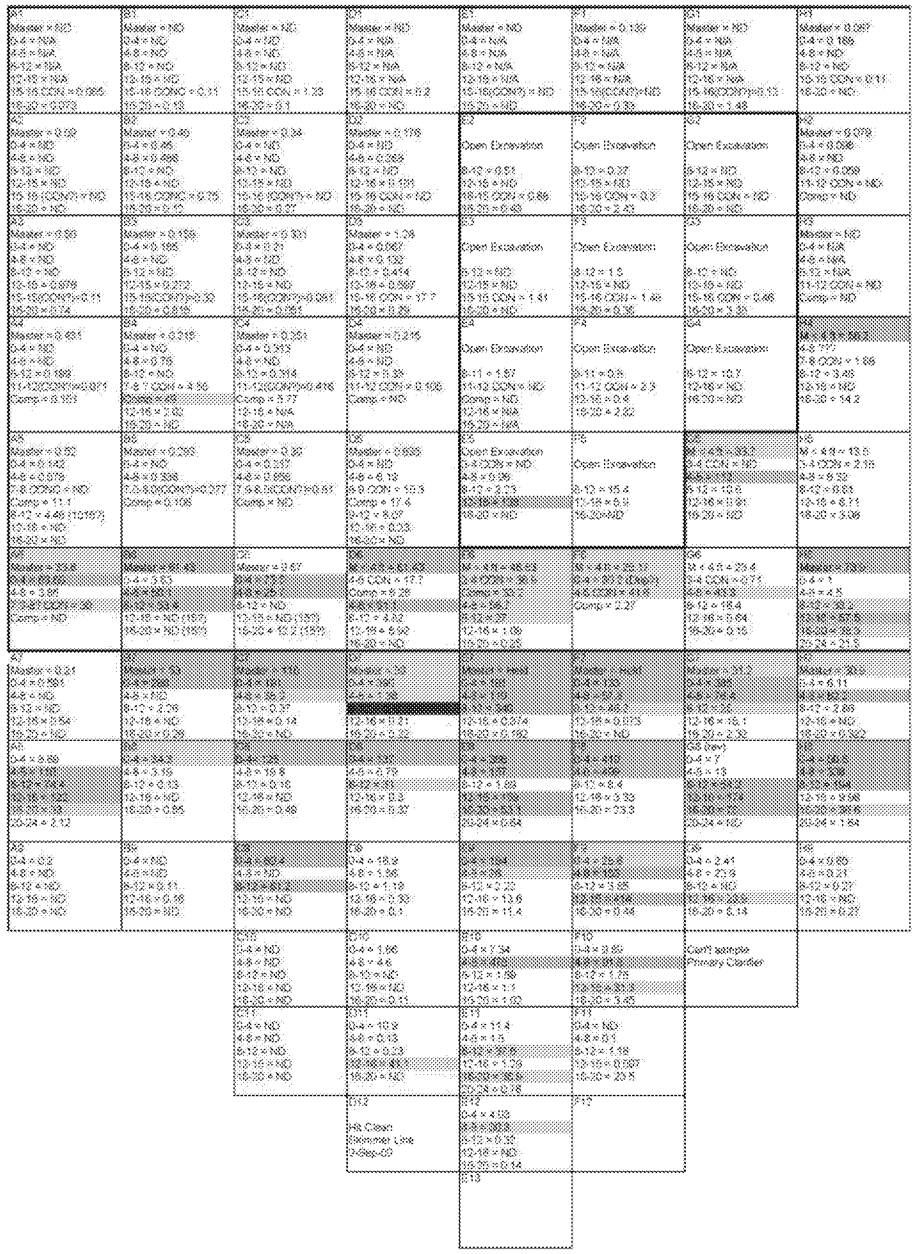

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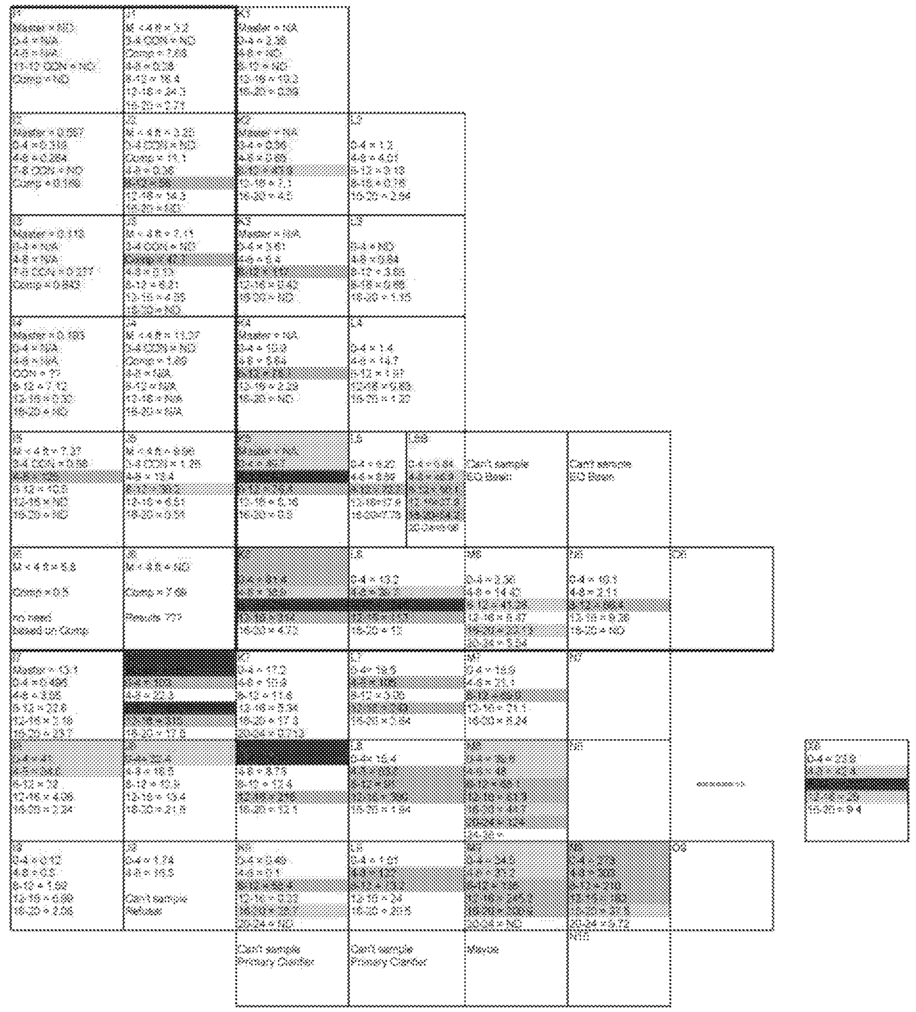
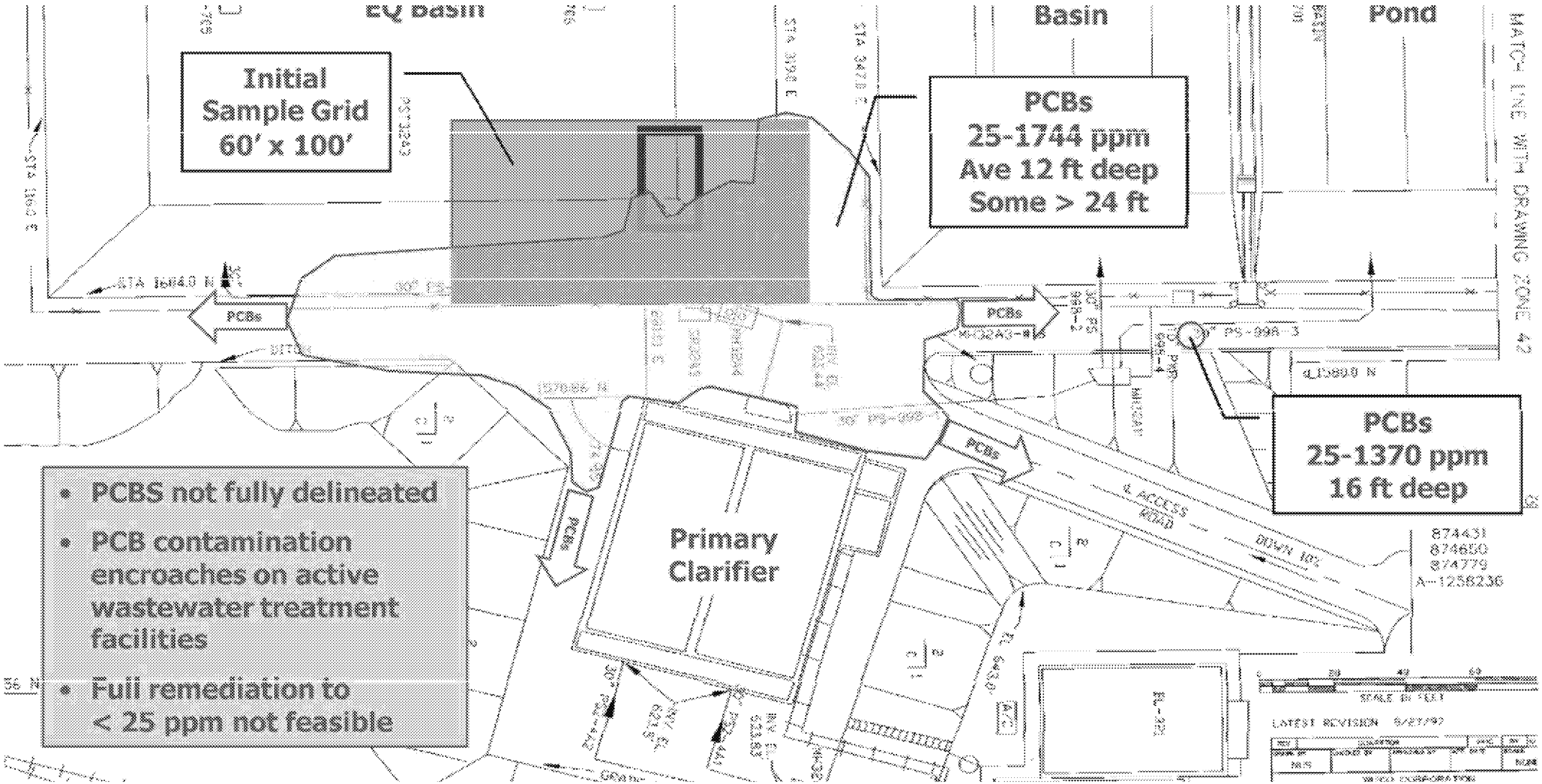
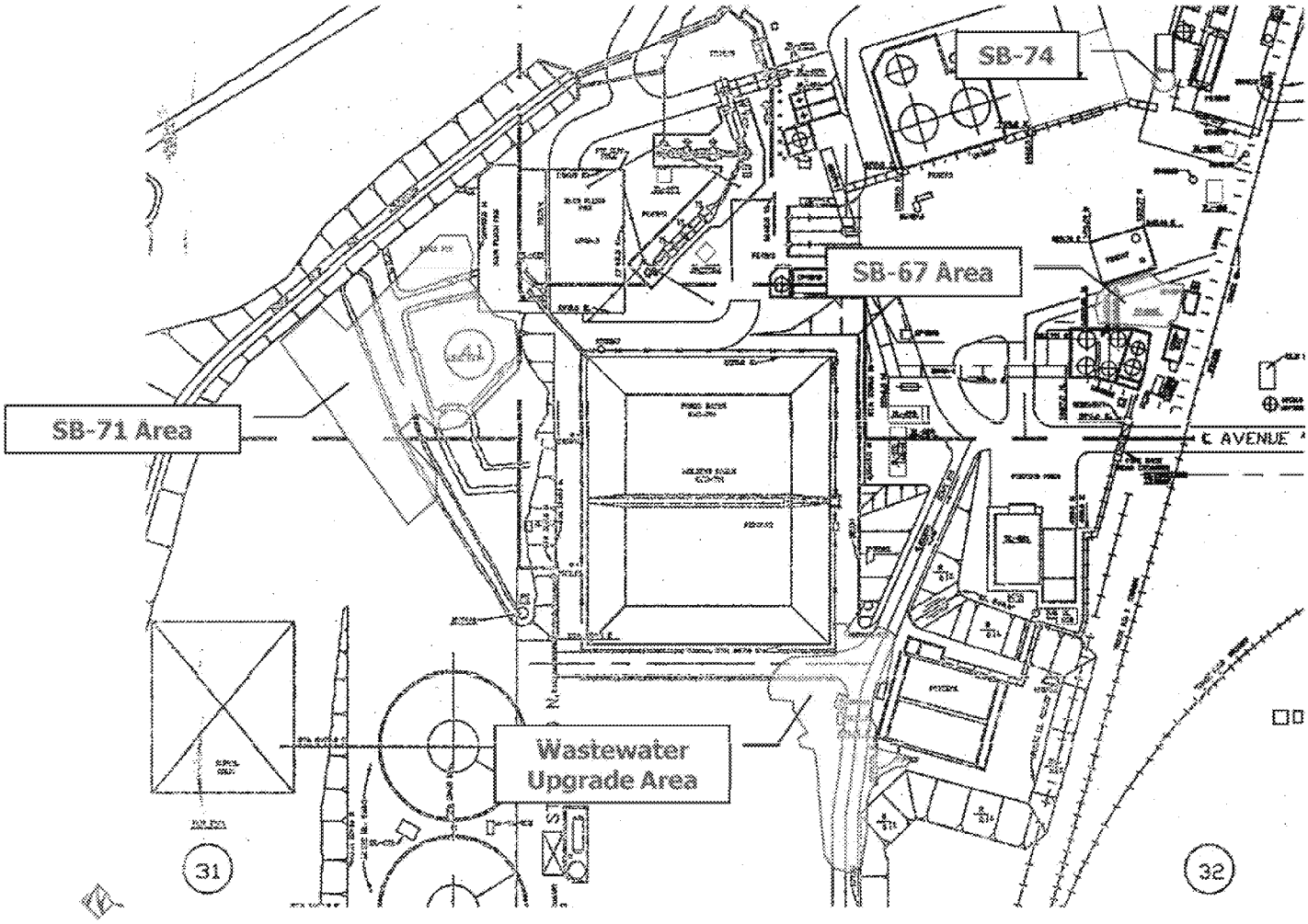


EPA000876


EQ Basin
Basin
Pond
Initial
Sample Grid
60' x 100'
PCBs
25-1744 ppm
Ave 12 ft deep
Some > 24 ft
PCBs
25-1370 ppm
16 ft deep
Primary
Clarifier
• PCBS not fully delineated
• PCB contamination encroaches on active wastewater treatment facilities
• Full remediation to < 25 ppm not feasible

Currently identified PCB-Contaminated Areas



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EPA000882

ED_005215_00000845-00035

Identified PCB-Contaminated Areas Approximated on '71 Map